

MAY 7 1954

The Great West Felt Company, Limited

44th

ANNUAL REPORT

For the year ending December 31st, 1953

The Great West Felt Company, Limited

ANNUAL REPORT

To The Shareholders:

Your Directors submit herewith consolidated audited financial statements for the year 1953 which include the operations of your Company and its subsidiary, Felt Industries Limited.

A loss of \$116,616.18 was incurred throughout the year 1953 and this figure includes a write-down of 20% of inventory values.

With the advent of synthetic materials, your Company has suffered a severe and a continuing loss of market for its products. Many attempts have been made to supplement its present line with other allied products but without success. The future does not appear to be promising.

All of which is respectfully submitted on behalf of the Board.

D. S. ERB,
Secretary.

Elmira, Ontario,
April 26, 1954.

The Great West Felt
AND ITS S
FELT INDUSTRIES
(INCORPORATED UNDER THE)

CONSOLIDATED
AS AT DECEMBER 31, 1954

ASSETS

Current:

Cash on hand	200.00
Accounts receivable	59,260.48
Less: Provision for losses	2,450.86
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Returnable containers	56,809.62
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	305.00
Inventory of materials, work in process, finished goods and supplies, as determined by the management and certified by them to be valued as follows: materials and supplies at the lower of laid-down cost or market; work in process and finished goods at factory cost ..	189,469.60
Less: Reserve of 20% authorized by the Directors to provide for obsolescence and decline in market values	37,893.92
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Insurance and other expenses prepaid	151,575.68
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	2,116.40
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	211,006.70

Fixed:

Land, buildings, machinery, equipment and patents (at depreciated replacement values as of December 31, 1946, as determined by Dominion Appraisal Company Limited, plus subsequent additions at cost, less disposals)	529,382.21
Less: Provision for depreciation	152,541.28
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	376,840.93

Intangible:

Trademarks	125.00
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	\$ 587,972.63

Hamilton, Ontario,
April 15, 1954.

Company, Limited

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S LIMITED
ONTARIO COMPANIES ACT)

BALANCE SHEET

DECEMBER 31, 1953

	LIABILITIES		
Current:			
Bank advances (secured)	185,333.53		
Accounts payable and accrued expenses	12,388.97		
Principal payments on loan, maturing within one year	7,000.00	204,722.50	
Deferred:			
Loan payable (secured), maturing up to December 1, 1956 and bearing interest at 5% per annum	10,850.00		
Less: Portion maturing within one year	7,000.00	3,850.00	
Liability to Ontario Hydro Electric Power Commission re cycle conversion	3,348.00		
Less: Portion maturing within one year	837.00	2,511.00	6,361.00
			211,083.50
Minority interest in subsidiary company			34.52
Capital stock:			
Authorized:			
25,000 cumulative convertible non-callable preference shares without nominal or par value, with an annual fixed cumulative preferential dividend of 50c per share, and having a priority of \$10.00 per share together with all unpaid preferential dividends, on any liquidation, dissolution, or winding-up of the Company; 60,000 common shares without nominal or par value.			
Issued and outstanding:			
25,000 preference shares	138,500.00		
Less: 475 preference shares converted into common shares	2,631.50	135,868.50	
35,475 common shares		37,631.50	
			173,500.00
Deduct:			
Operating deficit	92,286.31	81,213.69	
Capital surplus (being excess of appraised values of fixed assets at December 31, 1946 over depreciated cost values thereof at that date, after allowing for adjustments on disposals from December 31, 1946 to December 31, 1953)			295,640.92
Note: Dividends on preference shares are in arrears 62½c per share, aggregating \$15,328.13.			\$ 587,972.63

The above is the balance sheet referred to in our attached report of even date.

WRIGHT, ERICKSON, LEE & COMPANY,
Certified Public Accountants.

The Great West Felt Company, Limited

AND ITS SUBSIDIARY

FELT INDUSTRIES LIMITED

(INCORPORATED UNDER THE ONTARIO COMPANIES ACT)

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(Year ended December 31, 1953)

Operating loss for the year before undernoted charges	90,378.71
Provision for depreciation	26,236.21
	116,614.92
Add:	
Profit of subsidiary accruing to minority interests	1.26
Net loss for the year	\$ 116,616.18

CONSOLIDATED STATEMENT OF OPERATING DEFICIT

(Year ended December 31, 1953)

Consolidated earned surplus, January 1, 1953	29,598.58
Add:	
Adjustments applicable to prior years	533.27
	30,131.85
Deduct:	
Net loss from operations for the year	116,616.18
Net loss on disposal of fixed assets	5,613.38
Loss on disposal of investments	188.60
	122,418.16
Consolidated operating deficit, December 31, 1953	\$ 92,286.31

AUDITORS' REPORT TO THE SHAREHOLDERS

To the Shareholders of
The Great West Felt Company, Limited.

We have examined the attached consolidated balance sheet of The Great West Felt Company, Limited and its subsidiary company as at December 31, 1953, and the related consolidated statements of profit and loss and operating deficit for the year ended on that date. Our examination included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

We report that our requirements as auditors have been complied with, and that in our opinion the attached consolidated balance sheet and related consolidated statements of profit and loss and operating deficit are properly drawn up so as to exhibit a true and correct view of the state of the affairs of The Great West Felt Company, Limited and its subsidiary company at December 31, 1953, and of the results of their operations for the year then ended, according to the best of our information and the explanations given to us, and as shown by the books of the companies.

WRIGHT, ERICKSON, LEE & COMPANY,
Certified Public Accountants.

Hamilton, Ontario,
April 15, 1954.

